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December 13, 2006

**VIA FACSIMILE: 916-322-1932**

Chairman Liane Randolph and Commissioners  
California Fair Political Practices Commission  
428 J Street, Suite 620  
Sacramento, CA 95814

RE: Proposed Regulatory Schedule

Dear Chairman and Commissioners

This is to summarize comments I will offer in more detail concerning the staff draft of the Proposed Regulatory Schedule.

Item 16 of the Proposed Schedule concerns the issue I had raised about the treatment of fundraising expenses of a sponsored PAC paid for by the sponsor. The current state of advice, and Regulation 18215(c)(16), is that such expenses are subject to the contribution limits of Government Code section 85303(a).

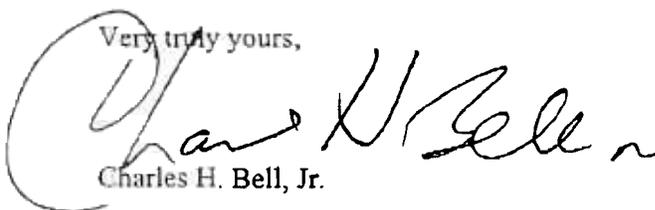
The proposed Regulatory schedule places these matters on for pre-notice discussion in August 2007 and for adoption in October 2007. The issue addressed is of great importance to PACs and sponsors of PACs. The issue has been worked up substantially in the two advice letters that remain outstanding from 2006. Moreover, the potential options are fairly narrow: (1) leave Regulation 18215(c)(16) alone, or (2) add the term "fundraising expenses, other than those that constitute "non-monetary contributions" to a candidate for state elective office. Indeed, in my submission, I offered a detailed proposed regulatory alternative. Thus, I do not believe the "workup" on this need be as elaborate or time-consuming (240 hours) as suggested by the Staff in its Memorandum, at pp. 11-12. Finally, I will offer my own view that the importance of this issue warrants vaulting it ahead of such lesser - importance issues as B 2, 4, 5, 9, 11, 12 and 14 in the campaign cluster of proposed regulations.

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I will suggest if the Commission is unwilling to consider changing the schedule as to this matter that it put on for hearing at one of the first meetings in 2007 the withdrawal of the two advice letters in question (I-06 -138 and I-06-071) or other appropriate interim action to address this issue.

Please feel free to contact me if you have any questions concerning this Proposed Regulation.

Very truly yours,  
  
Charles H. Bell, Jr.

CHB/jg

Enclosure